

**L TERSIGNI CONSULTING, P.C.**  
Certified Public Accountant

350 Bedford Street - Suite 301  
Stamford, CT. 06901  
Telephone: 203-252-2564  
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January 17, 2007

# **Invoice No. 14306**

**Marla R. Eskin, Esq.  
Campbell & Levine LLC  
800 N. King Street  
Suite 300  
Wilmington, DE. 19801**

**RE: W.R.Grace**

For services rendered in connection with the above-captioned matter during the period December 1, 2006 through December 31, 2006 as per the attached analysis.

<u>Professional Fees (see Schedule A)</u>	<u>Hours</u>	<u>Amount</u>
Loreto T. Tersigni - President	3.40	\$1,904.00
James Sinclair - Senior Managing Director	46.00	\$24,380.00
Robert Mathews - Managing Director	9.60	\$4,944.00
Aaron Prills - Director	25.00	\$10,000.00
Dottie-Jo Collins - Manager	5.20	\$1,560.00

Expenses (see Schedule C)

Telephone, Research, Xerox	\$89.38
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**TOTAL** \$42,877.38

Please Note: Schedule B (attached) reflects Professional Services Summary by Task Codes for Court Approved Professionals

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**RE: W.R.Grace**

Summary of Professional Services Rendered: December 1-31, 2006

Name	Position	Schedule	Rate (2006)	Hours	Amount
Loreto T. Tersigni	President	Schedule A	\$560	3.40	\$1,904.00
James Sinclair	Senior Managing Director	Schedule A	\$530	46.00	\$24,380.00
Robert Mathews	Managing Director	Schedule A	\$515	9.60	\$4,944.00
Aaron Prills	Director	Schedule A	\$400	25.00	\$10,000.00
Dottie-Jo Collins	Manager	Schedule A	\$300	5.20	\$1,560.00
<b>Total Professional Services- Schedule A:</b>				89.20	\$42,788.00
<b>Total Out of Pocket Expenses- Schedule C:</b>					\$89.38
<b>TOTAL DUE THIS INVOICE</b>					<b>\$42,877.38</b>

Please Note: Schedule B (attached) reflects Professional Services Summary  
by Task Codes for Court Approved Professionals

# W.R. Grace

## Schedule A

**Services Rendered during the Period: December 1, 2006 through December 31, 2006**

Date	Comment	Task Code	Hours	2006 Rate	Total
<b>Loreto Tersigni - President</b>					
12/4/06	LT Review Calendar of Upcoming Events transmitted by ACC counsel		26	0.40	\$560.00
12/11/06	LT Review Calendar of Upcoming Events transmitted by ACC counsel		26	0.50	\$560.00
12/15/06	LT Review Weekly Recommendations memorandum transmitted by ACC counsel		26	0.80	\$560.00
12/19/06	LT Review Calendar of Upcoming Events transmitted by ACC counsel		26	0.50	\$560.00
12/15/06	LT Review engagement status		26	0.50	\$560.00
12/15/06	LT Review fee application for November 2006, including timekeeper daily entries		11	0.30	\$560.00
12/27/06	LT Review Calendar of Upcoming Events transmitted by ACC counsel		26	0.40	\$560.00
<b>Sub-Total</b>			3.40		\$1,904.00

**James Sinclair - Senior Managing Director**

12/15/06	JS Commence review and analysis of October 2006 Monthly Financial Report (and YTD for due diligence and monitoring.		26	3.20	\$530.00	\$1,696.00
12/15/06	JS Review Bankruptcy Court opinion and ACC counsel's memorandum re PD Committee ZAI claim for recovery analysis and settlement discussions.		16	2.10	\$530.00	\$1,113.00
12/15/06	JS Review ACC counsel's 12/5/06 Hearing memorandum and memoranda of 12/14/06 re Recommendations and Calendar for planning of work and assignments.		26	1.60	\$530.00	\$848.00
12/18/06	JS Review, analyze post-petition interest rate alternatives for recovery analysis for settlement discussions at request of counsel (Finch).		16	2.50	\$530.00	\$1,325.00
12/18/06	JS Write preliminary memo to counsel (Finch) re interest rates for recovery analysis for settlement discussions at request of counsel.		16	0.90	\$530.00	\$477.00
12/18/06	JS Discuss interest rate alternatives with Prills for recovery analysis for settlement discussions at request of counsel.		16	0.60	\$530.00	\$318.00
12/18/06	JS Review, analyze Debtors' revised methodology of accrued interest for POR for recovery analysis for settlement discussions at request of counsel.		16	2.20	\$530.00	\$1,166.00
12/18/06	JS Review, analyze 3rd Quarter 2006 10-Q for claims and recovery analysis for settlement discussions at request of counsel.		16	2.50	\$530.00	\$1,325.00
12/19/06	JS Review, analyze 1st and 2nd Quarter 2006 10-Q's for claims and recovery analysis for settlement discussions at request of counsel.		16	2.90	\$530.00	\$1,537.00
12/19/06	JS Review, revise Prills' revised alternative interest schedules for recovery analysis for settlement discussions at request of counsel.		16	1.70	\$530.00	\$901.00
12/19/06	JS Review, analyze POR for classes of claims for Plan and recovery analysis for settlement discussions at request of counsel.		16	3.30	\$530.00	\$1,749.00
12/19/06	JS Review, analyze Disclosure Statement for Plan and recovery analysis for settlement discussions at request of counsel.		16	2.50	\$530.00	\$1,325.00
12/19/06	JS Participated in conference call to review the bank interest accrual.		16	0.90	\$530.00	\$477.00
12/20/06	JS Continue review of POR and Disclosure Statement for Plan and recovery analysis for settlement discussions at request of counsel.		16	2.60	\$530.00	\$1,378.00
12/20/06	JS Review, analyze Exhibit 3 to Disclosure Statement, Best Interests Analysis, for Plan and recovery analysis for settlement discussions at request of counsel.		16	1.90	\$530.00	\$1,007.00
12/20/06	JS Outline memorandum to counsel re alternative interest rates and recovery analysis for settlement discussions at request of counsel.		16	2.50	\$530.00	\$1,325.00
12/21/06	JS Commence writing memorandum to counsel re alternative interest rates and recovery analysis for settlement discussions at request of counsel.		16	2.90	\$530.00	\$1,537.00

# W.R. Grace

## Schedule A

**Services Rendered during the Period: December 1, 2006 through December 31, 2006**

Date	Comment	Task Code	Hours	2006 Rate	Total
12/21/06 JS	Review memoranda from ACC counsel re hearings of 12/18/06 and 12/19/06, competing motions of claimants' counsel and Debtors' counsel for planning of work and assignments.	26	2.40	\$530.00	\$1,272.00
12/21/06 JS	Continue writing memorandum to counsel re alternative interest rates and recovery analysis for settlement discussions at request of counsel.	16	3.10	\$530.00	\$1,643.00
12/21/06 JS	Revise memorandum to counsel re alternative interest rates and recovery analysis for settlement discussions at request of counsel, send to counsel.	16	2.10	\$530.00	\$1,113.00
12/27/06 JS	Review ACC counsel's memoranda of 12/22/06 re Recommendations and Calendar for planning of work and assignments.	26	1.60	\$530.00	\$848.00
<b>Sub-Total</b>			46.00		<b>\$24,380.00</b>

### Robert Mathews - Managing Director

12/8/06 RM	Research, review and analyze daily rating agency leveraged commentary and data (for the week of 12/4)	16	1.10	\$515.00	\$566.50
12/8/06 RM	Edit daily summary to monitor weekly events in the financial markets (for the week of 12/4)	16	0.70	\$515.00	\$360.50
12/8/06 RM	Review and analysis of weekly market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation (for the week of 12/4)	16	1.80	\$515.00	\$927.00
12/15/06 RM	Research, review and analyze daily rating agency leveraged commentary and data (for the week of 12/11)	16	1.00	\$515.00	\$515.00
12/15/06 RM	Edit daily summary to monitor weekly events in the financial markets (for the week of 12/11)	16	0.70	\$515.00	\$360.50
12/15/06 RM	Review and analysis of weekly market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation (for the week of 12/11)	16	1.80	\$515.00	\$927.00
12/22/06 RM	Research, review and analyze daily rating agency leveraged commentary and data (for the week of 12/18)	16	0.80	\$515.00	\$412.00
12/22/06 RM	Review and analysis of weekly market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation (for the week of 12/18)	16	0.60	\$515.00	\$309.00
12/29/06 RM	Research, review and analyze daily rating agency leveraged commentary and data (for the week of 12/25)	16	0.60	\$515.00	\$309.00
12/29/06 RM	Review and analysis of weekly market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation (for the week of 12/25)	16	0.50	\$515.00	\$257.50
<b>Sub-Total</b>			9.60		<b>\$4,944.00</b>

### Aaron Prills - Director

12/1/06 AP	Reviewed website articles regarding the recent changes in Grace's stock price.	28	0.90	\$400.00	\$360.00
12/1/06 AP	Reviewed Grace's third quarter operating review materials to analyze the likely estimates for the business segments through the end of 2006.	28	1.00	\$400.00	\$400.00
12/7/06 AP	Reviewed the Grace stock trend analysis to analyze the recent changes in the equity price.	28	0.90	\$400.00	\$360.00
12/11/06 AP	Reviewed the trend in the company's stock price relative to comparable companies.	28	0.40	\$400.00	\$160.00
12/15/06 AP	Reviewed Grace 8-k and equity price to analyze the changes with the company.	28	0.70	\$400.00	\$280.00
12/18/06 AP	Reviewed historical 10Qs for information regarding bank credit agreements.	28	1.30	\$400.00	\$520.00
12/18/06 AP	Prepared updates to the Grace bank interest schedule to analyze the accrual.	26	2.20	\$400.00	\$880.00

# W.R. Grace

## Schedule A

**Services Rendered during the Period: December 1, 2006 through December 31, 2006**

Date	Comment	Task Code	Hours	2006 Rate	Total
12/18/06 AP	Prepared additional updates to the Grace post-petition interest schedule.	26	1.50	\$400.00	\$600.00
12/18/06 AP	Reviewed correspondence with Grace regarding the change in the POR regarding the interest accrual.	28	0.40	\$400.00	\$160.00
12/19/06 AP	Reviewed the Grace SEC filings to analyze the bank interest accrual.	28	1.00	\$400.00	\$400.00
12/19/06 AP	Prepared schedule to analyze the various rates in the credit agreement to analyze the annualized accrual rates.	26	2.10	\$400.00	\$840.00
12/19/06 AP	Participated in conference call with colleague to review the bank interest accrual.	26	0.90	\$400.00	\$360.00
12/19/06 AP	Reviewed additional analyses prepared in the past to analyze the accrual of quarterly interest.	28	1.70	\$400.00	\$680.00
12/20/06 AP	Reviewed the interest accrual schedule for the bank claim.	28	1.00	\$400.00	\$400.00
12/20/06 AP	Reviewed Grace executive summary financial booklets to analyze notes regarding change in interest accrual rate.	28	1.10	\$400.00	\$440.00
12/21/06 AP	Reviewed historical SEC filings for information regarding the change in the interest rate.	28	1.60	\$400.00	\$640.00
12/21/06 AP	Reviewed memorandum to counsel regarding the interest rate accrual and the schedules associated with the memorandum.	28	0.70	\$400.00	\$280.00
12/21/06 AP	Reviewed additional correspondence with Grace's financial advisor to analyze commentary regarding the change in interest rate for the accrual.	28	0.90	\$400.00	\$360.00
12/21/06 AP	Prepared additional scenario for the Grace accrual schedule.	26	0.60	\$400.00	\$240.00
12/22/06 AP	Reviewed additional materials relating to the change in interest rate for the accrual.	28	1.60	\$400.00	\$640.00
12/22/06 AP	Reviewed the claims recovery model schedules to analyze the sensitivity of recoveries to the accrual amounts.	28	1.10	\$400.00	\$440.00
12/22/06 AP	Reviewed the correspondence from counsel regarding the updates and motions filed in the Grace case.	28	1.40	\$400.00	\$560.00
<b>Sub-Total</b>			25.00	\$10,000.00	

### Dottie-Jo Collins - Manager

12/29/06 DC	Compilation and consolidation of services rendered in the month of December 2006	11	3.80	\$300.00	\$1,140.00
12/29/06 DC	Category coding and preparation of December 2006 fee application	11	1.40	\$300.00	\$420.00
<b>Sub-Total</b>			5.20	\$1,560.00	

**TOTAL Schedule A:** 89.20 \$42,788.00

# W.R. Grace

## Schedule B

### Services Rendered during the Period: December 1, 2006 through December 31, 2006

Date		Comments	Task Code	Hours	Rate	Total
12/15/06	LT	Review fee application for November 2006, including timekeeper daily entries		11	0.30	\$560.00
12/29/06	DC	Compilation and consolidation of services rendered in the month of December 2006		11	3.80	\$300.00
12/29/06	DC	Category coding and preparation of December 2006 fee application		11	1.40	\$300.00
<b>TOTAL Category 11: Fee Application-Applicant</b>				<b>5.50</b>		<b>\$1,728.00</b>
12/8/06	RM	Research, review and analyze daily rating agency leveraged commentary and data (for the week of 12/4)		16	1.10	\$515.00
12/8/06	RM	Edit daily summary to monitor weekly events in the financial markets (for the week of 12/4)		16	0.70	\$515.00
12/8/06	RM	Review and analysis of weekly market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation (for the week of 12/4)		16	1.80	\$515.00
12/15/06	JS	Review Bankruptcy Court opinion and ACC counsel's memorandum re PD Committee ZAI claim for recovery analysis and settlement discussions.		16	2.10	\$530.00
12/15/06	RM	Research, review and analyze daily rating agency leveraged commentary and data (for the week of 12/11)		16	1.00	\$515.00
12/15/06	RM	Edit daily summary to monitor weekly events in the financial markets (for the week of 12/11)		16	0.70	\$515.00
12/15/06	RM	Review and analysis of weekly market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation (for the week of 12/11)		16	1.80	\$515.00
12/18/06	JS	Review, analyze post-petition interest rate alternatives for recovery analysis for settlement discussions at request of counsel (Finch).		16	2.50	\$530.00
12/18/06	JS	Write preliminary memo to counsel (Finch) re interest rates for recovery analysis for settlement discussions at request of counsel.		16	0.90	\$530.00
12/18/06	JS	Discuss interest rate alternatives with Prills for recovery analysis for settlement discussions at request of counsel.		16	0.60	\$530.00
12/18/06	JS	Review, analyze Debtors' revised methodology of accrued interest for POR for recovery analysis for settlement discussions at request of counsel.		16	2.20	\$530.00
12/18/06	JS	Review, analyze 3rd Quarter 2006 10-Q for claims and recovery analysis for settlement discussions at request of counsel.		16	2.50	\$530.00
12/19/06	JS	Review, analyze 1st and 2nd Quarter 2006 10-Q's for claims and recovery analysis for settlement discussions at request of counsel.		16	2.90	\$530.00
12/19/06	JS	Review, revise Prills' revised alternative interest schedules for recovery analysis for settlement discussions at request of counsel.		16	1.70	\$530.00
12/19/06	JS	Review, analyze POR for classes of claims for Plan and recovery analysis for settlement discussions at request of counsel.		16	3.30	\$530.00
12/19/06	JS	Review, analyze Disclosure Statement for Plan and recovery analysis for settlement discussions at request of counsel.		16	2.50	\$530.00
12/19/06	JS	Participated in conference call to review the bank interest accrual.		16	0.90	\$530.00
12/20/06	JS	Continue review of POR and Disclosure Statement for Plan and recovery analysis for settlement discussions at request of counsel.		16	2.60	\$530.00
12/20/06	JS	Review, analyze Exhibit 3 to Disclosure Statement, Best Interests Analysis, for Plan and recovery analysis for settlement discussions at request of counsel.		16	1.90	\$530.00
12/20/06	JS	Outline memorandum to counsel re alternative interest rates and recovery analysis for settlement discussions at request of counsel.		16	2.50	\$530.00
12/21/06	JS	Commence writing memorandum to counsel re alternative interest rates and recovery analysis for settlement discussions at request of counsel.		16	2.90	\$530.00
12/21/06	JS	Continue writing memorandum to counsel re alternative interest rates and recovery analysis for settlement discussions at request of counsel.		16	3.10	\$530.00
12/21/06	JS	Revise memorandum to counsel re alternative interest rates and recovery analysis for settlement discussions at request of counsel, send to counsel.		16	2.10	\$530.00

# W.R. Grace

## Schedule B

### Services Rendered during the Period: December 1, 2006 through December 31, 2006

Date		Comments	Task Code	Hours	Rate	Total
12/22/06	RM	Research, review and analyze daily rating agency leveraged commentary and data (for the week of 12/18)	16	0.80	\$515.00	\$412.00
		Review and analysis of weekly market information associated with bank and bond debt in the secondary				
12/22/06	RM	market and implications for chapter 11 situation (for the week of 12/18)	16	0.60	\$515.00	\$309.00
12/29/06	RM	Research, review and analyze daily rating agency leveraged commentary and data (for the week of 12/25)	16	0.60	\$515.00	\$309.00
		Review and analysis of weekly market information associated with bank and bond debt in the secondary				
12/29/06	RM	market and implications for chapter 11 situation (for the week of 12/25)	16	0.50	\$515.00	\$257.50
<b>TOTAL Category 16: POR and Disclosure Statement</b>					<b>46.80</b>	<b>\$24,660.00</b>
12/4/06	LT	Review Calendar of Upcoming Events transmitted by ACC counsel	26	0.40	\$560.00	\$224.00
12/11/06	LT	Review Calendar of Upcoming Events transmitted by ACC counsel	26	0.50	\$560.00	\$280.00
12/15/06	LT	Review Weekly Recommendations memorandum transmitted by ACC counsel	26	0.80	\$560.00	\$448.00
12/15/06	LT	Review engagement status	26	0.50	\$560.00	\$280.00
		Commence review and analysis of October 2006 Monthly Financial Report (and YTD) for due diligence				
12/15/06	JS	and monitoring.	26	3.20	\$530.00	\$1,696.00
		Review ACC counsel's 12/5/06 Hearing memorandum and memoranda of 12/14/06 re Recommendations				
12/15/06	JS	and Calendar for planning of work and assignments.	26	1.60	\$530.00	\$848.00
12/18/06	AP	Prepared updates to the Grace bank interest schedule to analyze the accrual.	26	2.20	\$400.00	\$880.00
12/18/06	AP	Prepared additional updates to the Grace post-petition interest schedule.	26	1.50	\$400.00	\$600.00
12/19/06	LT	Review Calendar of Upcoming Events transmitted by ACC counsel	26	0.50	\$560.00	\$280.00
		Prepared schedule to analyze the various rates in the credit agreement to analyze the annualized accrual				
12/19/06	AP	rates.	26	2.10	\$400.00	\$840.00
12/19/06	AP	Participated in conference call with colleague to review the bank interest accrual.	26	0.90	\$400.00	\$360.00
		Review memoranda from ACC counsel re hearings of 12/18/06 and 12/19/06, competing motions of				
12/21/06	JS	claimants' counsel and Debtors' counsel for planning of work and assignments.	26	2.40	\$530.00	\$1,272.00
12/21/06	AP	Prepared additional scenario for the Grace accrual schedule.	26	0.60	\$400.00	\$240.00
12/27/06	LT	Review Calendar of Upcoming Events transmitted by ACC counsel	26	0.40	\$560.00	\$224.00
		Review ACC counsel's memoranda of 12/22/06 re Recommendations and Calendar for planning of work				
12/27/06	JS	and assignments.	26	1.60	\$530.00	\$848.00
<b>TOTAL Category 26: Business Analysis</b>					<b>19.20</b>	<b>\$9,320.00</b>
12/1/06	AP	Reviewed website articles regarding the recent changes in Grace's stock price.	28	0.90	\$400.00	\$360.00
		Reviewed Grace's third quarter operating review materials to analyze the likely estimates for the business				
12/1/06	AP	segments through the end of 2006.	28	1.00	\$400.00	\$400.00
12/7/06	AP	Reviewed the Grace stock trend analysis to analyze the recent changes in the equity price.	28	0.90	\$400.00	\$360.00
12/11/06	AP	Reviewed the trend in the company's stock price relative to comparable companies.	28	0.40	\$400.00	\$160.00
12/15/06	AP	Reviewed Grace 8-k and equity price to analyze the changes with the company.	28	0.70	\$400.00	\$280.00
12/18/06	AP	Reviewed historical 10Qs for information regarding bank credit agreements.	28	1.30	\$400.00	\$520.00
12/18/06	AP	Reviewed correspondence with Grace regarding the change in the POR regarding the interest accrual.	28	0.40	\$400.00	\$160.00
12/19/06	AP	Reviewed the Grace SEC filings to analyze the bank interest accrual.	28	1.00	\$400.00	\$400.00
12/19/06	AP	Reviewed additional analyses prepared in the past to analyze the accrual of quarterly interest.	28	1.70	\$400.00	\$680.00

**W.R. Grace****Schedule B****Services Rendered during the Period: December 1, 2006 through December 31, 2006**

Date	Comments	Task Code	Hours	Rate	Total
12/20/06 AP	Reviewed the interest accrual schedule for the bank claim.	28	1.00	\$400.00	\$400.00
12/20/06 AP	Reviewed Grace executive summary financial booklets to analyze notes regarding change in interest accrual rate.	28	1.10	\$400.00	\$440.00
12/21/06 AP	Reviewed historical SEC filings for information regarding the change in the interest rate.	28	1.60	\$400.00	\$640.00
12/21/06 AP	Reviewed memorandum to counsel regarding the interest rate accrual and the schedules associated with the memorandum.	28	0.70	\$400.00	\$280.00
12/21/06 AP	Reviewed additional correspondence with Grace's financial advisor to analyze commentary regarding the change in interest rate for the accrual.	28	0.90	\$400.00	\$360.00
12/22/06 AP	Reviewed additional materials relating to the change in interest rate for the accrual.	28	1.60	\$400.00	\$640.00
12/22/06 AP	Reviewed the claims recovery model schedules to analyze the sensitivity of recoveries to the accrual amounts.	28	1.10	\$400.00	\$440.00
12/22/06 AP	Reviewed the correspondence from counsel regarding the updates and motions filed in the Grace case.	28	1.40	\$400.00	\$560.00
<b>TOTAL Category 28: Data Analysis</b>				<b>17.70</b>	<b>\$7,080.00</b>
<b>TOTAL Schedule B:</b>				<b>89.20</b>	<b>\$42,788.00</b>

# W.R. Grace

## Schedule C

**Summary of Expenses Incurred by L Tersigni Consulting P.C.  
Accountant and Financial Advisor**

<u>Descriptions</u>	<u>Amount</u>
Telephone	\$23.82
Research via PACER- 4th Quarter 2006	\$12.56
Xerox ( 530 @ \$.10 per page)	\$53.00
<b>Total Expenses incurred from December 1-31, 2006</b>	<b>\$89.38</b>